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*Attorneys for Plaintiff Forest Oil Corporation*

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA AT ANCHORAGE

FOREST OIL CORPORATION and )  
PACIFIC ENERGY ALASKA )  
OPERATING LLC, )  
 )  
Plaintiffs, )  
 )  
v. )  
 )  
UNION OIL COMPANY OF CALIFORNIA )  
d/b/a UNOCAL ALASKA, )  
 )  
Defendant. )  
\_\_\_\_\_ )

Case No. 3:05-cv-00078-RRB

**AFFIDAVIT OF  
RICHARD W. SCHELIN**

STATE OF COLORADO )  
 ) ss  
COUNTY OF DENVER )

I, Richard W. Schelin, being first duly sworn upon oath, state as follows:

1. I am Deputy General Counsel for Forest Oil Corporation ("Forest"), the original plaintiff in this case. I have personal knowledge of all matters set forth in this affidavit.

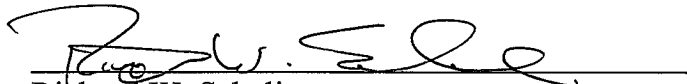
2. I participated in the transfer of Forest's interests in the Trading Bay Unit to a new Forest subsidiary, Forest Alaska Operating LLC ("FAO"), and in the later sale of FAO to Pacific Energy Resources Ltd. ("PERL"). I have working knowledge of the negotiations, contracts and agreements related to these transactions.

3. The effective date of the asset transfer to FAO was November 1, 2006. This transfer did not include claims, suits, audit exceptions and other assets that relate to periods of time prior to the effective date of the transfer. Those claims remain with Forest. From the effective date of November 1, 2006 forward, claims related to the Trading Bay Unit and its future operations were owned by FAO.

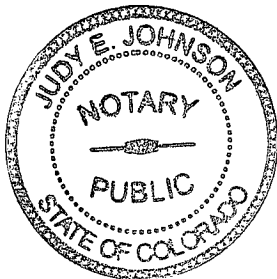
4. PERL subsequently purchased the membership of FAO, with an effective date of January 1, 2007, and renamed it Pacific Energy Alaska Operating LLC ("PEAO"). Since the pre-transfer audit claims remained with Forest, those claims were not included in the sale to PERL. In PERL's negotiations to purchase PEAO, it was specifically disclosed that FAO's Trading Bay assets did not include Forest's claims against Unocal for audit adjustments for the years that Forest had been the working interest owner in the Trading Bay Unit, which are being litigated in this law suit. To ensure that PERL remained unaffected by audit claims and counterclaims in this case, PERL obtained indemnification from Forest for any losses that could result from the litigation of the audit claims in this matter.

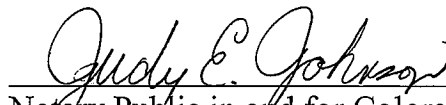
5. Consistent with the parties' understanding that Forest retained the claims for pre-transfer audit adjustments, Unocal has cooperated in Forest's audits of the Trading Bay Unit joint account through 2006. Unocal has responded to Forest's auditors and, on occasion, where audit exceptions have been granted, Unocal has sent Forest reimbursement by check for credits allowed. *See, e.g.*, the attached Audit Exception Credits and check from Chevron/Unocal to Forest dated February 2, 2008.

Further affiant sayeth not.

  
Richard W. Schelin

SUBSCRIBED AND SWORN TO before me this 2<sup>nd</sup> day of June 2008, at Denver, Colorado.



  
Notary Public in and for Colorado  
My Commission Expires: 9/17/08